



TaxNewsFlash

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KPMG reports: Illinois (Chicago real estate transfer tax); Florida (communications services tax); Massachusetts (local option real estate transfer fees); New Mexico (taxation of digital advertising)

KPMG This Week in State Tax—produced weekly by the KPMG State and Local Tax practice—focuses on recent state and local tax developments.

- **Chicago, Illinois:** A proposal is pending that would revise the city's transfer tax and increase the tax on certain properties. Under the "Bring Chicago Home" proposal, any sales up to \$1 million would be taxed at 0.6% and sales between \$1 million and 1.5 million would be taxed at 2.0% on the amount over \$1 million. Sales greater than \$1.5 million would be taxed at 3.0% on the amount over \$1.5 million. The additional revenue generated from the proposed transfer tax would be allocated to the city's fight against homelessness.
- **Florida:** The Department of Revenue issued two technical assistance advisements concluding that a taxpayer providing customized digital messages recorded by celebrities and a taxpayer providing bar exam prep services that included prerecorded lectures that were viewed on-demand, were both selling video services. As such, the taxpayers were required to collect to communications services tax on sales to Florida customers.
- **Massachusetts:** The governor unveiled an estimated \$4 billion plan to invest in affordable housing. One component of the proposal, called the *Affordable Homes Act*, would allow municipalities to impose local option real estate transfer fees of 0.5% to 2% on the portion of sales of real estate over \$1 million, or over the county median home sales price, whichever is greater.
- **New Mexico:** The Department of Taxation and Revenue submitted proposed regulations addressing the taxation of digital advertising under the *Gross Receipts and Compensating Tax Act*. The regulations were initially proposed last year, but the Department withdrew them to incorporate comments submitted by the business community. The Department has maintained that the proposed regulations only clarify existing law. The updated proposed rules state that the receipts of a provider of a digital platform that displays digital advertising services, whose digital platform may be accessed or viewed within New Mexico, may be subject to the state's gross receipts tax.

Read an [October 2023 report](#) prepared by KPMG LLP

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